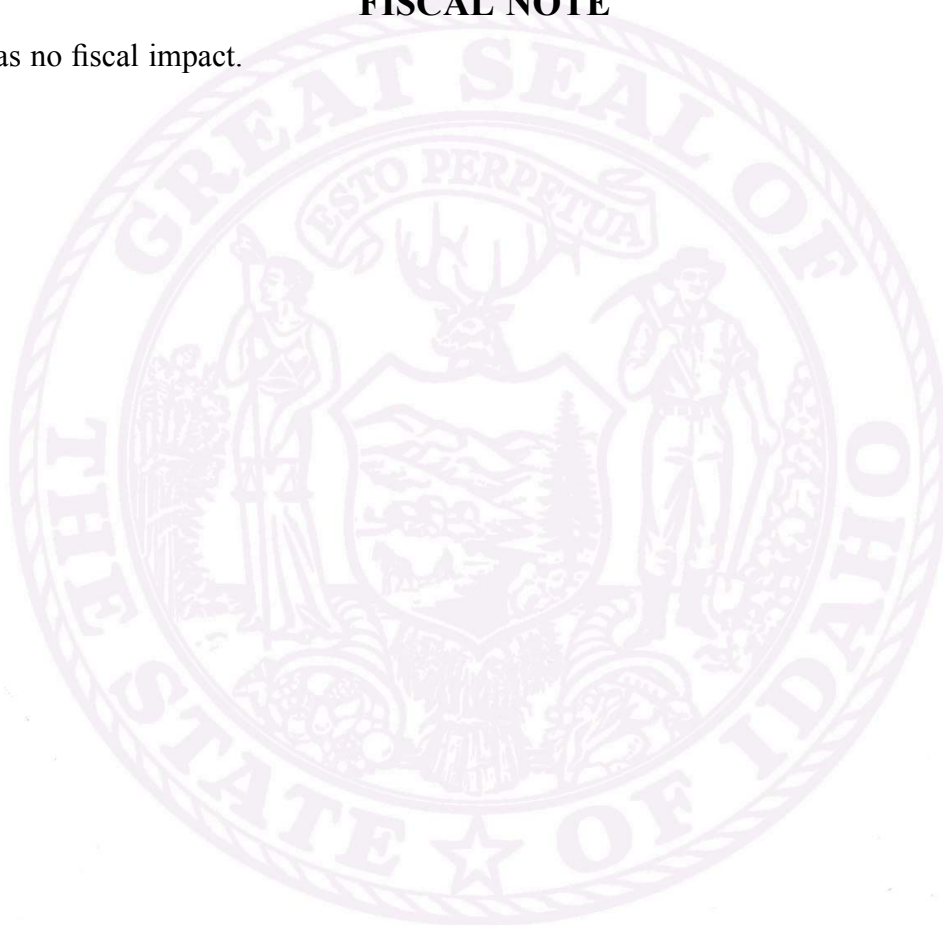


STATEMENT OF PURPOSE**RS21626**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires state law to take into consideration a state-chartered bank's credit exposure to derivative transactions, in order for state banks to engage in them after January 21, 2013. Many banks engage in non-complex derivatives transactions for the purpose of mitigating interest rate fluctuation and other types of risk, and to facilitate extensions of credit. Idaho Code, Section 26-705 is amended to ensure that Idaho state-chartered banks continue to have the ability to engage in basic risk mitigating derivative transactions.

FISCAL NOTE

This bill has no fiscal impact.

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Statement of Purpose / Fiscal Note**H0009**